MISSOURI HOUSING DEVELOPMENT COMMISSION

INDEPENDENT AUDITORS' REPORT
AND FINANCIAL STATEMENTS
FISCAL YEAR ENDED
JUNE 30, 2023

Contents

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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Independent Auditors' Report

The Commissioners
Missouri Housing Development Commission
Kansas City, Missouri

Opinion

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of the Missouri Housing Development Commission, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Missouri Housing Development Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the Missouri Housing Development Commission as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Missouri Housing Development Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 to the financial statements, as of July 1, 2022, the Missouri Housing Development Commission adopted Governmental Accounting Standards Board Statements No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Missouri Housing Development Commission's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Missouri Housing Development Commission's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Missouri Housing Development Commission's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Missouri Housing Development Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of Commission's proportionate share of the net pension and OPEB liability and schedules of Commission's contributions on pages 5 through 13 and 57 and 58 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Missouri Housing Development Commission's basic financial statements. The accompanying supplementary information, which includes the combining statement of net position; combining statement of net position multifamily bond-financed programs; combining statement of net position single family bond-financed programs; combining statement of revenues, expenses and changes in net position; combining statement of revenues, expenses and changes in net position multifamily bond-financed programs; and the combining statement of revenues, expenses and changes in net position single family bond-financed programs, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

RubinBrown LLP

September 14, 2023

Management's discussion and analysis provides an overview of the financial activities of the Missouri Housing Development Commission (Commission) and its financial performance for the fiscal year ended June 30, 2023. Please read it in conjunction with the Commission's financial statements and accompanying notes.

Introduction - Missouri Housing Development Commission

The Missouri Housing Development Commission was established by the 75th Missouri General Assembly in 1969 and is the housing finance agency for the state of Missouri (State). The Commission is a self-sustaining organization and does not draw upon the general taxing authority of the State. The Commission secures resources through the sale of bonds and notes and through the sale of mortgage assets, for the purposes of financing owner-occupied residential mortgage loans for lower and moderate-income persons and providing construction and long-term financing for rental developments to be occupied by lower and moderate-income persons. The Commission's net position is also a source of funding for such loans and other housing-related programs.

The Commission manages other programs related to its housing finance activities, including administering the Missouri Housing Trust Fund, the Missouri Affordable Housing Assistance Program and the housing tax credits for the State. The Commission also administers federal and other assistance programs, including U.S. Department of the Treasury emergency rental and homeowner assistance, the HOME Investment Partnerships Program (HOME) and the Project-Based Section 8 program, which provides rental subsidies.

Overview of the Financial Statements

This annual financial report consists of three parts: management's discussion and analysis; the basic financial statements, including notes to the financial statements; and required and other supplementary information. The basic financial statements include the statement of net position, the statement of revenues, expenses, and changes in net position, and the statement of cash flows. The Commission is a self-supporting entity and follows enterprise fund reporting, using the accrual basis of accounting. Enterprise fund statements offer short and long-term financial information about the activities and operations of the Commission.

Financial Highlights

The following financial highlights provide important aspects regarding the Commission's financial activities and operations, with additional discussion provided in this discussion and analysis. This information should be considered in conjunction with the detail provided in the financial statements, accompanying notes and supplementary information.

Fiscal Year Ended June 30, 2023

- Total assets were $2.1 billion, a decrease of 9.7% from June 30, 2022. Excluding net unrealized losses, total assets were $2.3 billion, a decrease of 6.4% from June 30, 2022. The decrease resulted from disbursed federal rental and homeowner assistance funds advanced to the Commission in prior years in accordance with the Consolidated Appropriations Act and the American Rescue Plan Act offset by an increase in homeownership bond-financed assets, including mortgage-backed securities.

- Fiscal year 2023 mortgage investment purchases and originations totaled $305.7 million as compared to $271.9 million in fiscal year 2022. Principal repayments on mortgage assets totaled $141.6 million in fiscal year 2023 as compared to $261.2 million in fiscal year 2022.

- Revenue bonds issued totaled $240.0 million in fiscal year 2023 and totaled $295.0 million in fiscal year 2022.

- Total revenues were $490.1 million in fiscal year 2023. Excluding the net change in fair value of investments, total revenues decreased 4.1% to $562.6 million in fiscal year 2023. Revenues from federal assistance programs were $482.8 million in fiscal year 2023 as compared to $512.1 million in fiscal year 2022.

- Net operating income, excluding the net change in fair value of investments, was $10.0 million in fiscal year 2023 as compared to $28.8 million in fiscal year 2022. Excluding federal and other assistance programs and the net change in fair value of investments, net operating income was $6.3 million in fiscal year 2023 as compared to $18.6 million in fiscal year 2022.

- Net position decreased $62.5 million as of June 30, 2023. Excluding the change in fair value of investments, net position increased $6.3 million (0.8%) as of June 30, 2023.

The Commission has maintained a general obligation issuer credit rating from Standard and Poor's Ratings Services of AA+ with a stable outlook. This rating was affirmed December 19, 2022.

Financial Position

The following table summarizes the Commission's current, restricted and noncurrent assets, deferred outflows of resources, liabilities and deferred inflows of resources. The table also displays restricted and unrestricted net position as of June 30, 2023 and 2022.

Condensed Summary of Net Position (In Thousands)

	June 30,		$ change
	2023	2022	2023 - 2022
Assets			
Current assets	$ 41,526	$ 26,922	$ 14,604
Restricted cash and cash equivalents	210,508	526,760	(316,252)
Restricted investments	101,877	103,136	(1,259)
Restricted mortgage investments	1,448,857	1,345,367	103,490
Other restricted assets	8,679	26,389	(17,710)
Capital assets	1,691	2,007	(316)
Lease and subscription assets	2,184	2,564	(380)
Other	270,767	276,072	(5,305)
Total Assets	2,086,089	2,309,217	(223,128)
Deferred Outflows of Resources	10,275	4,798	5,477
Liabilities			
Current liabilities	23,333	9,897	13,436
Current liabilities - payable from restricted assets	136,191	430,182	(293,991)
Long-term bonds and notes payable	1,224,866	1,107,394	117,472
Other	41,158	31,185	9,973
Total Liabilities	1,425,548	1,578,658	(153,110)
Deferred Inflows of Resources	3,275	5,339	(2,064)
Net Position			
Net investment in capital assets	1,712	1,981	(269)
Restricted	408,616	451,850	(43,234)
Unrestricted	257,213	276,187	(18,974)
Total Net Position	$ 667,541	$ 730,018	$ (62,477)

The cost-basis of assets totaled $2.1 billion and $2.3 billion at June 30, 2023 and 2022, respectively. Restricted cash and cash equivalents includes deposit balances received in accordance with the Consolidated Appropriations Act and the American Rescue Plan Act, including $19.0 million in rental assistance and $77.1 million in homeowner assistance funds at June 30, 2023 as compared to $244.5 million in rental assistance and $127.3 million in homeowner assistance funds at June 30, 2022.

The Commission implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This statement establishes uniform accounting and financial reporting requirements for Subscription-Based Information Technology Arrangements (SBITA) where the government contracts for the right to use another party's software. This statement requires SBITAs, previously classified as operating expenses, be recognized as intangible right-to-use subscription assets with corresponding subscription liabilities.

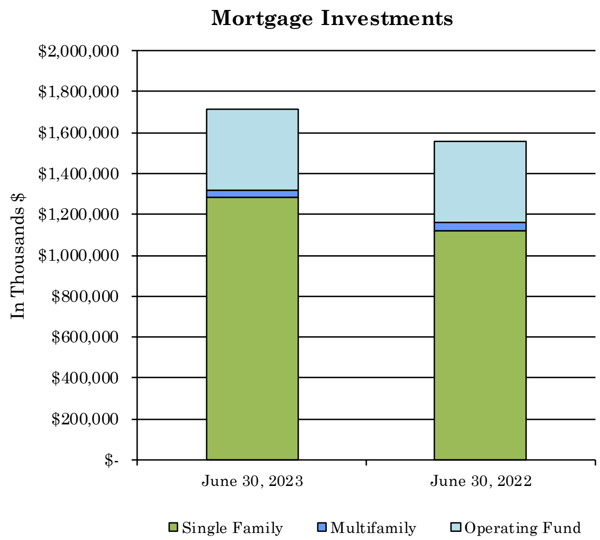
Investments

Investments consist of U.S. government and agency fixed rate securities. The Commission's investment policy emphasizes preservation of principal. At June 30, 2023, the Commission had $343.2 million in investments, at cost, as compared to $331.5 million at June 30, 2022.

Mortgage Investments

The Commission's mortgage investments, at cost, increased 10.3% during fiscal year 2023. Mortgage investments, as reported, comprised 74.4% of the Commission's total assets at June 30, 2023 as compared to 62.7% at June 30, 2022. Government National Mortgage Association (GNMA), Federal National Mortgage Association (Fannie Mae) and Federal Home Loan Mortgage Corporation (Freddie Mac) mortgage-backed securities (MBS) comprise 74.7% of the Commission's mortgage investments at June 30, 2023 compared to 72.1% at June 30, 2022. In fiscal year 2023 new loans totaled $305.7 million, with mortgage payment and prepayment activity and change in fair value resulting in a net increase of $102.9 million in the mortgage investment portfolio, as reported. Excluding unrealized net losses, the Commission's mortgage investments increased $159.9 million in fiscal year 2023. The Commission's loan portfolio is low-risk, with all of the bond-financed homeownership loan investment portfolio being GNMA, Fannie Mae and Freddie Mac MBS and its bond-financed multifamily loan portfolio backed by Federal Housing Administration (FHA) insurance, including Risk-Share loans. The Commission's loan loss reserve was 9.3% of total mortgage assets, excluding MBS, at June 30, 2023 and June 30, 2022 which is allocated to uninsured loans, Risk-Share loans and related accrued interest on such loans.

The composition of mortgage investments among operating fund loans, multifamily bond-financed programs and single family bond-financed programs at June 30, 2023 and 2022 is depicted in the following chart:



The Commission's operating fund mortgage investments include mortgage-backed securities and loans financed with fund balances (net position) and Federal Home Loan Bank (FHLB) advances. These mortgage investments total $144.6 million at June 30, 2023, as compared to $145.2 million at June 30, 2022. The operating fund mortgage investments also include loans financed by the federal HOME program totaling $231.0 million at June 30, 2023, as compared to $227.1 million at June 30, 2022. In addition, the operating fund loans at June 30, 2023 include $26.4 million in loans financed by the federal Tax Credit Assistance Program (TCAP), as compared to $26.9 million at June 30, 2022.

The Commission's multifamily loan portfolio includes FHA-insured Risk-Share mortgage loans, in which the Commission participates in 50% of the insured risk. These loans totaled $41.7 million at June 30, 2023 and $49.1 million at June 30, 2022.

The Commission provides financing for single family mortgages eligible for GNMA, Fannie Mae, and Freddie Mac securitization. The Commission currently provides eligible homebuyers with mortgage loans financed by the Commission's first-time homebuyer bond programs (First Place loans) for which the MBS are initially purchased for the Commission's warehouse funded by short-term FHLB advances or net position and ultimately financed by the proceeds of tax-exempt bonds issued by the Commission. First Place MBS purchases totaled $267.0 million and $237.8 million in fiscal years 2023 and 2022, respectively. Fluctuations reflect first time home purchase activity which is impacted by economic conditions, availability of homes and other factors.

The Commission finances eligible homebuyers, including non-first time homebuyers, with mortgage loans (Next Step program) financed at predetermined daily prices via the To-Be-Announced (TBA) market in accordance with an agreement with a third-party administrator. Next Step MBS delivered totaled $9.9 million in fiscal year 2023 and $40.9 million in fiscal year 2022.

Debt

The Commission had $1.3 billion and $1.1 billion in bonds and notes outstanding at June 30, 2023 and 2022, respectively. Bonds and notes include short-term FHLB advances used to fund the Commission's warehousing of First Place homeownership program mortgage-backed securities in advance of selling mortgage revenue bonds. There were no advances outstanding at June 30, 2023 and 2022. The short-term FHLB advances included financings of $80,047,000 during fiscal year 2023, including rollover financings of $38,149,000.

During fiscal year 2023, new debt issued included three single family mortgage revenue bond series which totaled $240.0 million. The Commission's single family and multifamily housing bonds are rated AA+ with a stable outlook by Standard and Poor's. For additional information, see *Note 5*, Bonds Payable and Long-Term Obligations, in the Notes to Financial Statements.

Net Position

The Commission continues to demonstrate a strong financial position. Net position, excluding unrealized gains and losses, was $838.6 million at June 30, 2023 and $832.3 million at June 30, 2022, representing slight growth of 0.8% in fiscal year 2023. A significant portion of the Commission's net position is restricted by bond indentures, grant agreements and other legal requirements. Restricted net position totaled $408.6 million at June 30, 2023 compared to $451.9 million at June 30, 2022. In addition, the Commission has designated certain unrestricted net position for its affordable housing programs. The amounts designated were $237.4 million at June 30, 2023 and $236.9 million at June 30, 2022. Net position provides liquidity and capital adequacy to support the Commission's general obligations and commitments, such as the Commission's ongoing operating expenses, construction and permanent loan funding and participation in the U.S. Department of Housing and Urban Development (HUD) Risk-Share Program, that are secured by the Commission's full faith and credit.

Operating Activities

The following table summarizes the Commission's revenues, expenses and changes in net position for fiscal years 2023 and 2022.

Condensed Summary of
Revenues, Expenses and Changes in Net Position (In Thousands)

	2023	2022	$ change 2023 - 2022
Operating Revenues			
Interest and investment income	$ (10,470)	$ (84,626)	$ 74,156
Grants and federal assistance	482,772	512,133	(29,361)
Other	17,824	18,719	(895)
Total Operating Revenues	490,126	446,226	43,900
Operating Expenses			
Interest expense	30,168	25,770	4,398
Compensation and administrative expenses	23,384	17,443	5,941
Grants and federal assistance	479,038	501,918	(22,880)
Other	20,733	13,152	7,581
Total Operating Expenses	553,323	558,283	(4,960)
Income before transfers from Custodial Funds	(63,197)	(112,057)	48,860
Transfer from Custodial Funds	720	606	114
Change in Net Position	$ (62,477)	$ (111,451)	$ 48,974

The Commission continues to exhibit healthy financial activity. Total revenues fluctuated primarily due to changes in grants and federal assistance and changes in fair value with an overall increase in fiscal year 2023. Excluding the effects of fair value reporting:

- Revenues totaled $562.6 million and $586.5 million in fiscal years 2023 and 2022, respectively. The decrease in fiscal year 2023 primarily resulted from a $29.4 million decrease in federal grant program revenues.
- The change in net position was an increase of $6.3 million in fiscal year 2023 and $20.3 million in fiscal year 2022, demonstrating continued financial strength.
- The return on average equity was 0.8% and the return on average assets was 0.3% for fiscal year 2023 as compared to 2.5% and 0.9%, respectively, in fiscal year 2022.

Revenues

Interest and investment income totaled a loss of $10.5 million in fiscal year 2023 as compared to a loss of $84.6 million in fiscal year 2022. This income includes net decreases in fair value of $72.5 million in fiscal year 2023 and $140.3 million in fiscal year 2022. Changes in the fair value of the Commission's portfolio of mortgage-backed securities and other investments result from fluctuations in interest rates and other market factors. Without the fair value adjustments, interest and investment income totaled $62.0 million in fiscal year 2023, which was a 11.4% increase from a total of $55.7 million in fiscal year 2022. Depending on future financial markets, interest rate fluctuations and thus, changes in the fair value of investments and mortgage-backed securities reported, are expected to have continuing material effects on the Commission's financial statements.

Other operating revenues include $9.2 million and $7.7 million in administration fee income for fiscal years 2023 and 2022, respectively. These fees are predominantly related to the Commission's administration of federal programs. In addition, other operating revenues for fiscal year 2023 included $64,000 in fee income for MBS delivered in accordance with the Commission's daily pricing agreement for its Next Step single family loan program. This fee income was $549,000 for fiscal year 2022.

Grants and Federal Assistance

Federal and other assistance program revenues and expenses represent activity related to developments funded by HUD (including Project-Based Section 8 and HOME), federal rental and homeowner assistance stimulus programs provided by the Consolidated Appropriations Act and the American Rescue Plan Act and other housing programs. These revenues totaled $482.8 million in fiscal year 2023 as compared to $512.1 million in fiscal year 2022 while expenses incurred were $479.0 million in fiscal year 2023 and $501.9 million in fiscal year 2022. Grant revenues in fiscal year 2023 decreased primarily due to a decrease in emergency rental and homeowner assistance, which decreased to $302.8 million in fiscal year 2023 from $321.4 million in fiscal year 2022. Project-Based Section 8 revenues totaled $162.3 million and $160.2 million in fiscal years 2023 and 2022, respectively. HOME funding has varied reflecting timing of awards and disbursements and totaled $7.0 million in fiscal year 2023 and $11.9 million in fiscal year 2022. These programs, along with tax credit programs, are integral to the Commission's achievement of its objectives. The Commission is providing significant housing assisting by administering the federal rental and homeowner assistance stimulus programs. The Commission continues to effectively use ongoing federal government and other programs that serve its mission utilizing those that provide resources that leverage its net position and other resources to finance affordable multifamily and owner-occupied housing for Missourians as well as provide housing assistance to very low-income Missourians.

Expenses

Interest costs were $30.2 million for fiscal year 2023 as compared to $25.8 million for fiscal year 2022 (an increase of 17.1% in fiscal year 2023). The increase in fiscal year 2023 reflects increased interest rates and an increase in bonds outstanding of $116.7 million, net of paydowns, in fiscal year 2023.

Beyond the costs associated with debt financing, the Commission's chief operating costs consist of compensation, facilities rent, information systems, professional services and travel expenses. These costs totaled $23.4 million in fiscal year 2023 as compared to $17.4 million in fiscal year 2022. Fiscal year 2023 costs include pension benefit costs of $4.7 million as compared to $1.8 million in fiscal year 2022. In addition, compensation reflects increased wage rates incorporating costs of living adjustments of 8.7% and 5.5% effective March 2023 and March 2022, respectively. Excluding the net change in the fair value of

investments, operating costs represented 4.2% of revenues in fiscal year 2023 as compared to 3.0% of revenue in fiscal year 2022.

Economic and Other Factors

The Commission's programs and activities are subject to economic and other factors that may affect the Commission's financial position and operations. In the coming year, changes in interest rates and market conditions can be expected to impact investment earnings and in particular, may result in significant fluctuations in the fair value of investments and mortgage-backed securities.

The level of lending activity in the Commission's single family programs is impacted by economic conditions, including the availability of single family homes for sale. The Commission expects to continue to finance its First Place mortgage program primarily with tax-exempt bond proceeds. In addition, the Commission plans to finance Next Step program mortgage-backed securities (MBS) with taxable bond proceeds or delivery of MBS via the TBA market. Changes in interest rates and market conditions may impact the Commission's financing of its homeownership programs, including sales in the TBA market as an alternative for financing in the tax-exempt bond market.

The Commission administers the Project-Based Section 8 program in the State through a contract with HUD, which results in over $162 million in housing assistance payment revenue and expense activity annually. The current contract terminates January 31, 2024. HUD may extend the current contract term and is planning to competitively bid this program administration.

Contacting the Commission's Financial Management

This financial report is designed to provide the Commission's stakeholders with a general overview of the Commission's finances and to demonstrate accountability of resources. Questions about this report or inquiries for additional financial information may be directed to the Custodian of Records at the Missouri Housing Development Commission, 920 Main Street, Suite 1400, Kansas City, Missouri, 64105 or visit the Commission's website at www.mhdc.com.

MISSOURI HOUSING DEVELOPMENT COMMISSION

STATEMENT OF NET POSITION
June 30, 2023
(In Thousands)

Assets		
Current Assets		
Cash and cash equivalents	$	9,932
Investments		17,026
Mortgage investments		10,830
Accrued interest receivable		2,138
Accounts receivable - other		1,096
Prepaid expenses		504
Total Current Assets		41,526
Noncurrent Assets		
Restricted assets		
Cash and cash equivalents		210,508
Investments		101,877
Mortgage investments		1,448,857
Accrued interest receivable		5,291
Accounts receivable - other		3,388
Total restricted assets		1,769,921
Investments		178,916
Mortgage investments, net of current portion and allowances for loan losses of $40,253		91,851
Capital assets, less accumulated depreciation of $5,957		1,691
Lease and subscription assets, less accumulated amortization of $2,383		2,184
Total Noncurrent Assets		2,044,563
Total Assets		2,086,089
Deferred Outflows of Resources		
Refunding of debt		719
Pension		7,518
Other Postemployment Benefits (OPEB)		2,038
Total Deferred Outflows of Resources		10,275

MISSOURI HOUSING DEVELOPMENT COMMISSION

STATEMENT OF NET POSITION *(Continued)*
June 30, 2023
(In Thousands)

Liabilities		
Current Liabilities		
Lease and subscription liabilities	$	803
Accounts payable		21,174
Unearned revenue		1,356
Total Current Liabilities		23,333
Current Liabilities - Payable from Restricted Assets		
Bonds and notes payable		29,775
Accrued interest payable		6,589
Federal housing subsidy and other deposits		99,305
Accounts payable		522
Total Current Liabilities - Payable from Restricted Assets		136,191
Noncurrent Liabilities		
Lease and subscription liabilities		1,360
Pension		25,712
Other Postemployment Benefits (OPEB)		5,539
Unearned revenue		8,547
Payable from restricted assets		
Bonds and notes payable		1,224,866
Total Noncurrent Liabilities		1,266,024
Total Liabilities		1,425,548
Deferred Inflows of Resources		
Refunding of debt		967
Pension		18
Other Postemployment Benefits (OPEB)		2,290
Total Deferred Inflows of Resources		3,275
Net Position		
Net investment in capital assets		1,712
Restricted		408,616
Unrestricted, including designated balances		257,213
Total Net Position	$	667,541

MISSOURI HOUSING DEVELOPMENT COMMISSION

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended June 30, 2023
(In Thousands)

Operating Revenues		
Interest and investment income		
Income - mortgage investments	$	53,376
Income - investments		8,648
Net decrease in fair value		(72,494)
Total interest and investment income		(10,470)
Income - MBS sales		64
Administration fees		9,240
Other income		8,520
Federal program income		482,772
Total Operating Revenues		490,126
Operating Expenses		
Interest expense on bonds		30,168
Bond debt expense and other fees		2,736
Compensation		17,119
General and administrative expenses		6,265
Rent and other subsidy payments		14,706
Missouri Housing Trust Fund grants		3,291
Federal program expenses		479,038
Total Operating Expenses		553,323
Income before transfers from Custodial Funds		(63,197)
Transfer from Custodial Funds		720
Change in Net Position		(62,477)
Net Position - Beginning of Year		730,018
Net Position - End of Year	$	667,541

MISSOURI HOUSING DEVELOPMENT COMMISSION

STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2023
(In Thousands)

Cash Flows from Operating Activities		
Interest received on mortgage investments	$	52,532
Fees, charges and other		13,520
Principal repayments on mortgage loans		141,593
Disbursements of mortgage loans		(305,743)
Federal assistance receipts		189,143
Federal assistance disbursed		(461,104)
Collection of compliance and origination fees		5,778
Cash payments for compensation, administrative and other costs		(19,194)
Other operating payments		(7,017)
Net Cash Used in Operating Activities		(390,492)
Cash Flows from Noncapital Financing Activities		
Retirement of principal on bonds and notes		(165,318)
Proceeds from issuance of bonds and notes		290,240
Interest paid on bonds and notes		(37,068)
Net Cash Provided by Noncapital Financing Activities		87,854
Cash Flows Used in Capital and Related Financing Activities		
Payments for capital assets		(891)
Payments on leases and subscriptions		(427)
Net Cash Used in Capital and Related Financing Activities		(1,318)
Cash Flows from Investing Activities		
Purchases of investments		(63,228)
Proceeds from maturities and sales of investments		52,110
Interest received on investments		8,204
Net Cash Used in Investing Activities		(2,914)
Net Decrease in Cash and Cash Equivalents		(306,870)
Cash and Cash Equivalents - Beginning of Year		527,310
Cash and Cash Equivalents - End of Year	$	220,440

MISSOURI HOUSING DEVELOPMENT COMMISSION

STATEMENT OF CASH FLOWS (*Continued)*
For the Year Ended June 30, 2023
(In Thousands)

Reconciliation of Decrease in Net Position to Net Cash Used in Operating Activities		
Decrease in net position	$	(62,477)
Adjustments to reconcile decrease in net position to net cash used in operating activities		
Depreciation and amortization of lease and subscription assets		1,587
Net decrease in fair value		72,494
Compliance and origination fee receipts		2,724
Amortization of unearned revenue		(2,066)
Income - investments		(8,648)
Net change in mortgage loans		(164,150)
Interest expense related to bonds and other debt		30,168
Change in deferred outflows related to pensions and OPEB		(5,516)
Change in deferred inflows related to pensions and OPEB		(1,994)
Change in assets and liabilities		
Decrease in accounts receivable		19,692
Increase in accrued mortgage interest receivable		(844)
Increase in prepaid expenses		(68)
Decrease in federal housing subsidy deposits		(293,629)
Increase in accounts payable		12,380
Increase in pension and OPEB liabilities		9,855
Net Cash Used in Operating Activities	$	(390,492)

MISSOURI HOUSING DEVELOPMENT COMMISSION

STATEMENT OF FIDUCIARY NET POSITION
June 30, 2023
(In Thousands)

Assets		
Cash and cash equivalents	$	9,848
Investments		95,882
Accrued interest receivable		304
Total Assets		106,034
Net Position		
Restricted for Mortgagors		106,034
Total Net Position	$	106,034

MISSOURI HOUSING DEVELOPMENT COMMISSION

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2023
(In Thousands)

Additions		
Interest and investment income (loss)		
Income - investments	$	1,097
Net decrease in fair value		(3,067)
Total interest and investment income (loss)		(1,970)
Mortgage escrow receipts - Mortgagors		45,122
Total Operating Revenues		43,152
Deductions		
Mortgage escrow disbursements - Mortgagors		43,349
Transfers to Enterprise Fund		720
Total Operating Expenses		44,069
Change in Net Position		(917)
Net Position - Beginning of Year		106,951
Net Position - End of Year	$	106,034

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

The Missouri Housing Development Commission (Commission) is a body corporate and politic established on October 13, 1969, by Chapter 215 of the Missouri state statutes. In accordance with the provisions of Chapter 215 and resolutions of the Commission, the Commission is authorized to make or purchase mortgage loans that are uninsured, partially insured or insured or guaranteed by the federal government and to insure mortgage loans, the funds of which are to be used to develop new or rehabilitated low and moderate-income housing. The Commission is also authorized to issue bonds for making or purchasing such loans. The outstanding balance of bonds applicable to loans not insured or guaranteed by a federal agency or to bonds rated lower than “AA” by rating agencies at the time of issuance shall not exceed $200,000,000. At June 30, 2023, the Commission had $11,482,000 of bonds outstanding applicable to conduit loans that are not so insured or guaranteed or to bonds that are not so rated. These conduit bonds are not reported on the Commission’s statement of net position. Bonds issued by the Commission are not an obligation of the state of Missouri (State).

Reporting Entity

The Commission defines its reporting entity to include all component units for which the Commission is financially accountable. The extent of financial accountability is based upon several criteria including: appointment of a voting majority of the governing body, imposition of will, financial benefit to or burden on a primary government and financial accountability as a result of fiscal dependency. No separate entities meet the requirements to be considered component units of the Commission.

The Commission is considered a related organization of the State for financial reporting purposes. Accordingly, the Commission is included as a note disclosure in the state of Missouri’s comprehensive annual financial report.

For financial reporting purposes, the Commission reports its operations as a single enterprise fund. The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting with revenues recognized when earned and expenses recorded when incurred. All significant interfund transactions are eliminated.

Revenues and expenses are typically divided into operating and nonoperating items. Operating revenues generally result from providing services in connection with the Commission's principal ongoing operations. The principal operating revenues of the Commission are derived from the interest and investment income from loans and investments, financing fees, federal and other assistance program funding and other charges related to providing financing for affordable housing through mortgage loans and grants. Operating expenses consist primarily of interest expense on bonds outstanding and federal and other assistance program expenses and other costs to administer its affordable housing programs. All revenues and expenses not meeting these definitions would be reported as nonoperating revenues and expenses. The Commission has no nonoperating activities.

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, then unrestricted resources as needed.

Fiduciary Fund Statements

The Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position provide information on the Commission's fiduciary activities in administering escrow funds on behalf of mortgagors of permanent and construction loans serviced by the Commission. The net position of such funds are reported as restricted net position for mortgagors in the fiduciary statement of net position. Investment earnings on the escrow funds held are reported as additions to restricted net position in the Fiduciary Fund.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand and on deposit and temporary investments with an original maturity of three months or less. At June 30, 2023 cash equivalents consisted primarily of money market funds, overnight repurchase agreements and a Federal Home Loan Bank (FHLB) daily time account.

Investments

Securities purchased under agreements to resell, U.S. government and agency securities and mortgage-backed securities are reported at fair value. Net increases (decreases) in fair value are reported on the statement of revenue, expenses and changes in net position and the statement of changes in fiduciary net position.

Mortgage Investments

Proceeds from the sale of bonds, resources provided in the Commission's warehousing program and available net position are used to make mortgage loans and to purchase mortgage-backed securities. The mortgage-backed securities are guaranteed as to timely payment of principal and interest by the Government National Mortgage Association (GNMA), Federal National Mortgage Association (Fannie Mae) or the Federal Home Loan Mortgage Corporation (Freddie Mac) and are backed by pools of qualifying mortgage loans. Advances made on such loans during the construction period of related housing units are recorded as construction loans and are serviced as mortgage loans upon final endorsement after construction completion. Mortgage and construction loans are reported at cost, while GNMA, Fannie Mae and Freddie Mac mortgage-backed securities are reported at fair value.

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoffs are reported at their outstanding principal balances adjusted for any charge-offs and the allowance for loan losses. Generally, loans are evaluated for nonaccrual status at 90 days past due and interest is considered a loss, unless the loan is well secured and in the process of collection.

Fair Value Reporting

The Commission categorizes its fair value measurements applicable for reporting its investments and mortgage-backed securities within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Allowance for Loan Losses

The allowance for loan losses is associated with uninsured loans, Risk-Share loans and related accrued interest on such loans. The allowance is management's estimate of uncollectible loans and related accrued interest and is based on existing payment conditions, prior experience and such other factors that, in management's opinion, require consideration. For financial statement presentation, the allowance for loan losses has been netted against the noncurrent portion of mortgage and construction loans.

Original Issue Discounts and Premiums

Original issue bond discounts and premiums are deferred and amortized over the life of the related issue using the effective interest method or the outstanding bond method, which approximates the effective interest method.

Capital, Lease and Subscription Assets

Capital assets are stated at cost less accumulated depreciation and consist of leasehold improvements, software, office furniture and equipment. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets, which range from two to seven years. The Commission defines capital assets as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year.

The Commission recognizes a lease liability and an intangible right-to-use lease asset at the commencement of the lease term. The lease asset is amortized over the shorter of the lease term or the useful life of the underlying asset. In addition, the Commission recognizes a subscription liability and intangible right-to-use subscription asset at the commencement of a subscription-based information technology arrangement (SBITA) where the Commission contracts for the right to use another party's software. The subscription asset is amortized over the term of the subscription contract.

Deferred Inflows and Deferred Outflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources until then.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. This separate financial element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources until then.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans administered by the Missouri State Employees' Retirement System (MOSERS) and additions to and deductions from MOSERS' fiduciary net position have been determined on the same basis as they are reported by MOSERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State Retiree Welfare Benefit Trust (SRWBT) administered by the Missouri Consolidated Health Care Plan (MCHCP) and additions to and deductions from the SRWBT fiduciary net position have been determined on the same basis as they are reported by MCHCP. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows in the financial statements. Net position is classified as follows:

Net Investment in Capital Assets: This component of net position consists of capital, lease and subscription assets, net of accumulated depreciation and amortization, net of related liabilities.

Restricted Net Position: This component of net position consists of restrictions placed on net position use through external constraints imposed by grant agreements and contracts, laws or regulations of other governments, bond resolutions or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position: This component represents net position used at the discretion of the Board of Commissioners to complement bond and loan programs, to fund housing initiatives and to provide for the Commission's operations. Certain unrestricted net position has been designated by the Commission to provide for its housing programs. Unrestricted net position provides additional security for the Commission's general obligations and commitments.

Fees, Charges and Expenses

Unearned revenue consists primarily of tax credit fees and compliance monitoring fees that are recognized as income over the contractual periods.

Service and other fees and charges are recorded as income when earned and the associated administrative expenses are recorded as incurred.

Operating expenses identifiable to a particular program are charged directly to the program. All other operating expenses are accounted for by the Commission in the Operating Fund (see *Note 2*).

Federal Assistance and Grants

The Commission administers grants and federal assistance programs, representing "pass-through" financial assistance, on the behalf of secondary recipients. The Commission reports federal assistance deposits received in advance of incurring related expenditures as a liability presented on the statement of net position. The Commission recognizes financial activity related to pass-through grants and financial assistance as revenues and expenses of the Commission. Grants received from federal, state and local governments, and other organizations are recognized as operating revenue as the related expenditures are incurred.

Debt Refunding

For refundings resulting in defeasance of debt reported by proprietary activities, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense over the remaining life of the old or new debt, whichever is shorter, using the bonds outstanding method. The deferred refunding amounts are classified as deferred inflows or deferred outflows of resources in the financial statements.

New Accounting Standard

The Commission implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement establishes uniform accounting and financial reporting requirements for Subscription-Based Information Technology Arrangements (SBITA) where the government contracts for the right to use another party's software. This statement requires SBITAs, previously classified as operating expenses, be recognized as intangible right-to-use subscription assets with corresponding subscription liabilities.

2. Description of Funds or Programs

The following describes the funds or programs maintained by the Commission, all of which conform to Chapter 215 of the Missouri state statutes and the respective bond resolutions.

Operating Fund

Funding of the Operating Fund on an ongoing basis is derived principally from allowable transfers from other funds, fees earned for administering various U.S. Department of Housing and Urban Development (HUD) programs, and interest income from Operating Fund investments and mortgage loans. Mortgage and construction loans in the Operating Fund are collateralized by deeds of trust on the related properties, including approximately $10,659,000 at June 30, 2023, which are insured by HUD's Federal Housing Administration (FHA) Risk-Share Program as described in *Note 4*. Authorized activities of the Operating Fund include the following:

- Payment of general and administrative expenses and other costs not payable by other funds of the Commission.
- Financing multifamily or homeownership residential housing units from accumulated fund balances, if financing of such units is not provided for under existing bond indentures.
- Those activities deemed necessary to fulfill the Commission's corporate purposes for which special funds are not established.

The Commission administers the Missouri Housing Trust Fund, which provides for a variety of housing needs, such as emergency home repair, emergency rent, mortgage or utility payments, rehabilitation or new construction of housing facilities and related services for very low-income families and individuals. The Missouri Housing Trust Fund is authorized by Section 215.034, RSMo and its financial activities are included in the financial statements of the Commission. Separate financial statements for the Missouri Housing Trust Fund may be obtained through the Commission.

Multifamily Bond-Financed Program (2000 Indenture)

The Commission's Multifamily Bond-Financed Program (2000 Indenture) was established to support the financing and refinancing of eligible multifamily developments and includes funds and accounts to allocate the proceeds from the bond sales, receive payments on the related mortgage loans, provide for payment of the debt service requirements on the bonds and retain balances in reserves all pursuant to the Commission's Trust Indenture dated as of June 1, 2000. All loans are insured by HUD, including HUD's Risk-Share Program.

Multifamily Bond-Financed Program (2014 Indenture)

The Commission's Multifamily Bond-Financed Program (2014 Indenture) was established to succeed the program established in 2000 with updated terms and flow of funds to support the financing and refinancing of eligible multifamily developments and includes funds and accounts to allocate the proceeds from the bond sales, receive payments on the related mortgage loans, provide for payment of the debt service requirements on the bonds and retain balances in reserves all pursuant to the Commission's Trust Indenture dated as of April 1, 2014. All loans are insured by HUD, including HUD's Risk-Share Program.

Special Homeownership Bond-Financed Program (2009 Indenture)

The Commission's Special Homeownership Bond-Financed Program was established under the United States Treasury's Single Family New Issue Bond Program to support the financing of loans for low and moderate income homebuyers and includes funds and accounts to allocate the proceeds from the bond sales, receive payments on the related mortgage loans, provide for payment of the debt service requirements on the bonds and retain balances in reserves. The bonds are secured by mortgage-backed securities on eligible owner-occupied units pursuant to the Commission's Trust Indenture dated as of December 1, 2009. The pledged mortgage-backed securities are guaranteed as to timely payment of principal and interest by GNMA, Fannie Mae or Freddie Mac.

First Place Homeownership Bond-Financed Program (2015 Indenture)

The Commission's First Place Homeownership Bond-Financed Program was established to succeed the Special Homeownership Bond-Financed Program due to specific restrictions imposed under the program established by the Treasury Department to support the financing of loans for low and moderate income homebuyers and includes funds and accounts to allocate the proceeds from the bond sales, receive payments on the related mortgage loans, provide for payment of the debt service requirements on the bonds and retain balances in reserves. The bonds are secured by mortgage-backed securities on eligible owner-occupied units pursuant to the Commission's Trust Indenture dated as of May 1, 2015. The pledged mortgage-backed securities are guaranteed as to timely payment of principal and interest by GNMA, Fannie Mae or Freddie Mac.

Fiduciary Funds

In the course of its loan servicing, the Commission administers escrow and reserve funds held on behalf of its mortgagors. The funds are used to pay taxes and insurance on underlying mortgage property, held as reserve for replacements, or for other purposes. The funds received from the mortgagors are invested in accordance with the Commission's investments guidelines and the assets are offset by a corresponding restricted net position for mortgagors. The cash and investments balance of the escrow funds was $105,730,000 as of June 30, 2023.

3. Cash and Investments

A summary of cash and investments as of June 30, 2023 is as follows (in thousands):

	2023	
Enterprise Fund	**Cost**	**Fair Value**
Cash and cash equivalents:		
Cash	$ 34,017	$ 34,017
FHLB daily time accounts	452	452
Repurchase agreements	77,140	77,140
Money market funds	108,831	108,831
Total cash and cash equivalents	$ 220,440	$ 220,440
Investments:		
U.S. Treasury bonds and notes and agency obligations	$ 343,179	$ 297,819
Total investments	343,179	297,819
Total cash and cash equivalents and investments	$ 563,619	$ 518,259

	2023	
Fiduciary Fund	**Cost**	**Fair Value**
Cash and cash equivalents:		
Cash	$ 8,398	$ 8,398
Money market funds	1,450	1,450
Total cash and cash equivalents	$ 9,848	$ 9,848
Investments:		
U.S. Treasury bonds and notes and agency obligations	$ 110,895	$ 95,882
Total investments	110,895	95,882
Total cash and cash equivalents and investments	$ 120,743	$ 105,730

Investment Policy

General

The Commission's formal *Investment Policy and Guidelines* apply to investments that are not held by a trustee in connection with bond or note issues. This policy permits the Commission to invest in obligations of the state of Missouri, obligations of the United States of America, obligations issued or guaranteed by certain agencies of the federal government, certain collateralized repurchase agreements and certificates of deposit. The general policy of the Commission is to make investments for future funding requirements and not for trading purposes. At June 30, 2023, all of the Commission's general investments (non-bond related investments) were in compliance with the Commission's *Investment Policy and Guidelines*.

Indentures

The Commission's bond indentures permit investments in the direct obligations of, or obligations guaranteed by, the United States of America, certificates of deposit, investment agreements and certain other investments permitted by applicable law. At June 30, 2023, all investments of debt-related issues held by the Commission's trustees were in compliance with the requirements of the indentures.

Investment Maturities

As of June 30, 2023, the Commission had the following investments and maturities (in thousands):

Enterprise Fund

June 30, 2023

		Investment Maturities (in Years)			
Investment Type	**Fair Value**	**Less Than 1**	**1 - 5**	**6 - 10**	**More Than 10**
U.S. Treasury securities	$ 49,643	$ 36,795	$ 2,820	$ 8,967	$ 1,061
U.S. agency securities	248,176	12,705	80,224	155,247	—
Total investments	$ 297,819	$ 49,500	$ 83,044	$ 164,214	$ 1,061

Fiduciary Fund

June 30, 2023

		Investment Maturities (in Years)		
Investment Type	**Fair Value**	**Less Than 1**	**1 - 5**	**6 - 10**
U.S. Treasury securities	$ 2,098	$ —	$ —	$ 2,098
U.S. agency securities	93,784	8,302	51,443	34,039
Total investments	$ 95,882	$ 8,302	$ 51,443	$ 36,137

The Commission's *Investment Policy and Guidelines* limit investments for general funds in repurchase agreements to 90 days and U.S. Treasury and U.S. agency securities to 10 years. The bond resolutions and indentures allow for investments in obligations of the United States of America and investment agreements for the terms specified in these documents, generally 30 years.

At June 30, 2023, as reported at fair value, the Commission's enterprise fund U.S. agency securities consist of $118,094,000 Federal Farm Credit Bank (FFCB), $62,531,000 Federal Home Loan Bank (FHLB), $23,359,000 Fannie Mae, $27,903,000 Freddie Mac and $16,289,000 Farmer Mac debt securities. At June 30, 2023, as reported at fair value, the Commission's fiduciary fund U.S. agency securities consist of $48,223,000 Federal Farm Credit Bank (FFCB), $16,577,000 Federal Home Loan Bank (FHLB), $13,458,000 Fannie Mae and $15,526,000 Freddie Mac debt securities.

The Commission's recurring fair value measurements include U.S. Treasury and government agency securities, valued using a multi-dimensional relational pricing model (Level 2 inputs). These securities totaled $297,819,000 in the Commission's enterprise fund and totaled $95,882,000 in the Commission's fiduciary fund as of June 30, 2023.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely affect the fair value of investments. The Commission manages interest rate risk by structuring investment portfolios so that securities mature to meet cash requirements for ongoing operations and debt service obligations, thereby avoiding the need to sell securities on the open market prior to maturity.

Credit Risk

The Commission's money market funds and investments include the securities of U.S. government agencies rated in the highest rating category by Moody's Investor Services (Aaa) and AA+ by Standard & Poor's. Repurchase agreements are unrated, but collateralized by U.S. agency securities.

Concentration of Credit Risk

The Commission places no limit on the amount it may invest in any one issuer with respect to U.S. Treasury and government agency securities. Obligations of the state of Missouri and collateralized certificates of deposit are limited to 60% of the non-bond fund portfolio, each. Collateralized repurchase agreements are limited to 50% of the non-bond fund portfolio. The following tables list investments in issuers that represent 5% or more of total investments, which includes money market funds classified as cash equivalents at June 30, 2023:

Enterprise Fund **Issuer**	**Percent of Total Investments**
Federal Farm Credit Bank (FFCB)	24.4%
Morgan Stanley Institutional Liquidity Funds Government Portfolio	22.5%
Federal Home Loan Bank (FHLB)	13.0%
U.S. Treasury	10.3%
UMB Bank	15.9%
Federal Home Loan Mortgage Corporation (Freddie Mac)	5.8%

Fiduciary Fund **Issuer**	**Percent of Total Investments**
Federal Farm Credit Bank (FFCB)	50.3%
Federal Home Loan Bank (FHLB)	17.3%
Federal Home Loan Mortgage Corporation (Freddie Mac)	16.2%
Fannie Mae	14.0%

Custodial Credit Risk

For investments, custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In accordance with its policy, the Commission addresses custodial credit risk by pre-qualifying institutions with which the Commission places investments, diversifying its investment portfolio and maintaining a standard of quality for its investments.

For deposits, custodial credit risk is the risk that in the event of a bank failure, the Commission may not be able to recover its deposits. Protection of the Commission's enterprise fund deposits of $28,128,000 and custodial fund deposits of $8,398,000 at June 30, 2023 is provided by the Federal Deposit Insurance Corporation, FHLB letters of credit and by eligible securities pledged by the financial institution. Deposits in the Commission's enterprise fund with the FHLB at June 30, 2023 include $5,889,000 in a demand deposit account and $452,000 in a daily time account, which are uninsured and uncollateralized, but secured by the full faith and credit of the FHLB system with implicit government support.

4. Mortgage Investments

Mortgage investments reported consist of the following as of June 30, 2023 (in thousands):

	2023
Total mortgage loan principal outstanding	$ 434,516
Less: Allowance for mortgage loan losses	(40,253)
Mortgage loans, net	394,263
Total mortgage-backed securities, at cost	1,282,967
Unrealized loss on securitized mortgage loans	(125,692)
Mortgage-backed securities, at fair value	1,157,275
Mortgage investments, net	$ 1,551,538

Mortgages include loans financed by the federal HOME Investment Partnerships Program (HOME) totaling $231,003,000 as of June 30, 2023. A portion of these loans totaling $159,053,000 at June 30, 2023 include prepayment terms allowing deferment or repayment based on net income of the multifamily developments. An estimated allowance for mortgage loan losses of $23,258,000 is attributable to the HOME-financed loan portfolio at June 30, 2023. In addition, there were $43,568,000 in mortgages outstanding at June 30, 2023 that have continuing compliance requirements and convert to grants upon maturity and satisfaction of program requirements. Such mortgages are recognized as expenditures at the time of disbursement. At June 30, 2023, mortgages also include $26,419,000 in loans financed by the federal Tax Credit Assistance Program (TCAP). An estimated allowance for mortgage loan losses of $3,587,000 is attributable to this portfolio at June 30, 2023.

The Commission warehouses mortgage-backed securities created by its single family homeownership programs. The warehoused securities have been funded by short-term FHLB advances or available net position. U.S. agency securities, which totaled $54,230,000 at June 30, 2023 are pledged as collateral for the short-term FHLB advances. There were warehoused mortgage-backed securities totaling $55,000 held at June 30, 2023.

The single family bond-financed programs generally require that mortgage loans be made to borrowers whose household income does not exceed the statewide or applicable metropolitan statistical area (MSA) median income, based on family size. For loans financed with tax-exempt bond proceeds (First Place loans), Section 143 of the Internal Revenue Code specifies certain requirements with respect to the nature of the residence, mortgage and eligibility of the borrower. These programs provide funding for mortgage loans that are FHA insured, VA guaranteed, U.S. Department of Agriculture/Rural Development (USDA/RD) guaranteed or Freddie Mac-qualified or Fannie Mae-qualified conventional loans.

The Commission finances eligible homebuyers, including non-first time homebuyers, with mortgage loans (Next Step program) financed at predetermined daily prices via the taxable To-Be-Announced (TBA) market in accordance with an agreement with a third-party administrator. Next Step mortgage-backed securities (MBS) delivered totaled $9,939,000 during fiscal year 2023.

The multifamily bond-financed programs provide long-term financing for rental housing developments for occupancy by families and persons of low and moderate incomes. The Commission has entered into an agreement with HUD, which permits the Commission to participate in HUD’s Risk-Share Program. In accordance with the terms of this agreement, HUD will insure certain mortgage loans on rental housing developments (FHA-insured “Risk-Share Mortgage Loans”) and the Commission will underwrite the Risk-Share Mortgage Loans following its underwriting guidelines. HUD will insure the Risk-Share Mortgage Loans and will bear 50% of the risk and the Commission will bear the remaining 50% of the risk. The Commission had Risk-Share Mortgage Loans totaling $41,715,000, representing 31 loans as of June 30, 2023.

Proceeds of multifamily and single family mortgage revenue bonds, as indicated in *Note 5*, as well as resources of the Commission’s mortgage-backed security warehousing program were used to purchase GNMA, Fannie Mae and Freddie Mac certificates collateralized by mortgage loans approved in accordance with the guidelines of the Commission’s mortgage programs. The financing periods of the pooled mortgage loans are 30 years. Mortgage-backed securities have repayments based on the underlying pooled mortgages and are subject to prepayment.

The fair value of the mortgage-backed securities is sensitive to changes in interest rates, which may result in large fluctuations in carrying value and investment earnings as reported. The mortgage-backed securities held at June 30, 2023 have stated interest rates ranging from 1.75% to 7.50%, while the underlying mortgages have stated interest rates ranging from 2.25% to 8.00%.

GNMA, Fannie Mae and Freddie Mac certificates, which are included in mortgage investment balances, are presented in the statement of net position at fair value. These mortgage-backed securities are guaranteed as to payment of principal and interest by GNMA, Fannie Mae or Freddie Mac. As of June 30, 2023, the par value of securitized mortgage loans consist of 80.1% GNMA, 8.4% Fannie Mae and 11.5% Freddie Mac certificates. All other loans included in mortgage investments are carried at cost. The following summarizes the carrying value and cost of mortgage investments as of June 30, 2023 (in thousands):

	2023	
	Carrying Value	**Cost**
GNMA, Fannie Mae and Freddie Mac mortgage-backed securities	$ 1,157,275	$ 1,282,967
Other mortgage loans	434,516	434,516
Total mortgage investments	$ 1,591,791	$ 1,717,483

The Commission's recurring fair value measurements as of June 30, 2023 include the GNMA, Fannie Mae and Freddie Mac certificates totaling $1,157,275,000 valued using a matrix pricing technique, which utilizes pricing indices, index spreads and other market reference data (Level 2 inputs).

5. Bonds Payable and Long-Term Obligations

The following table provides a summary of the changes in long-term obligations for the year ended June 30, 2023 (in thousands):

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023	Amount Due Within One Year
Publicly Sold Bonds					
Multifamily Bond-Financed Program (2000 Indenture)	$ 17,390	$ —	$ (2,075)	$ 15,315	$ 720
Multifamily Bond-Financed Program (2014 Indenture)	16,370	—	(1,429)	14,941	772
Special Homeownership Bond-Financed Program (2009 Indenture)	32,399	—	(6,892)	25,507	1,550
First Place Homeownership Bond-Financed Program (2015 Indenture)	1,040,035	240,000	(113,023)	1,167,012	26,010
Total Publicly Sold	1,106,194	240,000	(123,419)	1,222,775	29,052
Direct Borrowings and Direct Placements					
Operating Fund - Direct Borrowings	—	80,047	(80,047)	—	—
Total Direct Borrowings and Direct Placemen	—	80,047	(80,047)	—	—
Total bonds and notes payable	1,106,194	320,047	(203,466)	1,222,775	29,052
Unamortized premium and discount, net	31,777	8,342	(8,253)	31,866	723
Total bonds and notes payable, net	1,137,971	328,389	(211,719)	1,254,641	29,775
Lease liabilities	2,590	496	(923)	2,163	803
Unearned revenue	9,245	2,724	(2,066)	9,903	1,356
Total long-term debt and other obligations	$ 1,149,806	$ 331,609	$ (214,708)	$ 1,266,707	$ 31,934

The net proceeds of bond issues for both publicly sold bonds and direct placements are used to provide financing for multifamily bond-financed housing developments or for homeownership residential housing units. The bond proceeds are deposited with and invested by bank trust departments in qualified investments until required for such financing. These bonds are obligations of the Commission payable from the mortgage investments and funds specifically pledged to the payment of the bonds and are not liabilities of the state of Missouri.

Multifamily bonds are secured by a pledge of the mortgages and mortgage loans, funds and investments held under each applicable indenture. The mortgage loans held by the 2000 and 2014 Indentures are insured by HUD, including HUD's Risk-Share Program. Single family bonds are secured by pledged mortgage-backed securities, funds and investments held under each applicable indenture. The pledged mortgage-backed securities consist of pools of mortgages originated in accordance with the Commission's loan programs and are guaranteed as to timely payment of principal and interest by GNMA, Fannie Mae or Freddie Mac.

Under the terms of the bond indentures, an event of default occurs if payment of principal or interest is not made when due or in the event the Commission does not comply with one or more covenants in or related to the bond indenture and fails to cure the noncompliance within specified timeframes. If an event of default is not resolved, the trustee can take actions to protect and enforce the rights of the bondholders, including enforcement of rights under the mortgages or mortgage-backed securities and declaring all applicable outstanding bonds due and payable.

A summary of bonds payable outstanding at June 30, 2023 follows (in thousands), including the applicable calendar date reference for future maturities or final redemption:

	Original Amount Authorized	Outstanding 2023
Multifamily Bond-Financed Program (2000 Indenture)		
2012 Series 1 Refunding Bonds (3.723% to 4.25%), due 2028-2038	$ 42,740	$ 1,850
2013 Series 1 Friendship Village (2.65% to 3.75%), due 2023 - 2045	6,555	2,650
2013 Series 2 Refunding Bonds (3.35% to 4.625%), due 2023-2040	15,560	3,165
2013 Series 3 Shepard Apts. (3.25% to 5.00%), due 2023-2045	12,030	6,160
2013 Series 4 House Springs Apts. (3.375% to 5.00%) due 2023-2045	2,555	1,490
	79,440	15,315
Add: Unamortized debt premium		79
	79,440	15,394
Multifamily Bond - Financed Program (2014 Indenture)		
2014 Series 1 Refunding Bonds (4.20%), due 2040	$ 23,742	$ 2,013
2015 Series 1 Refunding Bonds (3.75%), due 2042	12,120	2,153
2021 Series 1 Refunding Bonds (2.20%), due 2042	11,503	10,775
	47,365	14,941
Total Multifamily Bond - Financed Programs	126,805	30,335
Special Homeownership Bond - Financed Program (2009 Indenture)		
Publicly Sold Bonds:		
2014 Series A (2.80% to 4.00%), due 2023 - 2041*	$ 50,000	$ 5,315
2014 Series B (2.75% to 4.00%), due 2023 - 2040*	50,000	7,165
2014 Series C (2.97%), due 2036*	40,579	5,789
2016 Series C (2.40%), due 2044*	31,503	7,238
	172,082	25,507
Add: Unamortized debt premium		283
	172,082	25,790

	Original Amount Authorized	Outstanding 2023
First Place Homeownership Bond - Financed Program (2015 Indenture)		
2015 Series A (2.50% to 3.75%), due 2023 - 2038*	$ 60,000	$ 5,425
2015 Series B-1 (4.00%), due 2045*	23,090	2,050
2015 Series B-2 (2.65% to 4.00%), due 2023 - 2045*	50,000	3,985
2016 Series A-2 (2.05% to 4.00%), due 2023 - 2040*	70,000	11,665
2016 Series B (1.70% to 3.50%), due 2023 - 2041*	70,000	16,955
2016 Series D (3.40%), due 2046*	51,489	18,369
2017 Series A-1 (4.00%), due 2042*	14,400	4,985
2017 Series A-2 (2.00% to 4.00%), due 2023 - 2042*	50,000	11,020
2017 Series B (3.25%), due 2047*	54,241	18,759
2017 Series C (3.30%), due 2047*	53,939	21,703
2017 Series D (2.20% to 4.00%), due 2023 - 2047*	54,500	23,905
2018 Series A (2.30% to 4.25%), due 2023 - 2049*	55,000	25,905
2018 Series B (2.60% to 4.75%), due 2023 - 2049*	70,000	36,930
2019 Series A (2.00% to 4.25%), due 2023 - 2047*	65,000	32,415
2019 Series B (1.65% to 4.00%), due 2023 - 2050*	80,000	46,635
2019 Series C (1.50% to 3.875%), due 2023 - 2050*	120,000	82,515
2020 Series A (1.15% to 3.50%), due 2023 - 2050*	100,000	76,355
2020 Series B (2.25% to 2.625%) due 2043*	75,470	33,574
2020 Series C (0.65% to 3.50%) due 2023 - 2050*	55,000	44,055
2020 Series D (0.40% to 3.25%) due 2023 - 2051*	50,000	40,120
2020 Series E (1.85% to 2.00%) due 2050*	33,400	25,437
2021 Series A (0.30% to 3.00%) due 2023 - 2052*	75,000	63,950
2021 Series B (0.25% to 3.00%) due 2023 - 2052*	65,000	58,965
2021 Series C (0.35% to 3.25%) due 2023 - 2052*	75,000	71,990
2022 Series A (1.20% to 3.50%) due 2023 - 2052*	75,000	71,655
2022 Series B (2.35% to 4.75%) due 2023 - 2052*	80,000	77,980
2022 Series C (2.20% to 5.00%) due 2023 - 2053*	75,000	74,710
2023 Series A (2.50% to 5.75%) due 2024 - 2053*	90,000	90,000
2023 Series B (2.95% to 5.50%) due 2024 - 2053*	75,000	75,000
	1,921,529	1,167,012
Less: Unamortized debt discount		(88)
Add: Unamortized debt premium		31,592
	1,921,529	1,198,516
Total Single Family Bond - Financed Programs	2,093,611	1,224,306
Total bonds payable, net	$ 2,220,416	$ 1,254,641

The proceeds of bond issues denoted by "*" are used to purchase GNMA, Fannie Mae and Freddie Mac mortgage-backed securities, which are backed by mortgage loans originated through the Commission's loan programs.

During the fiscal year ended June 30, 2023, the Commission redeemed, prior to their scheduled maturity, the principal amount of certain of its bonds. Net gains of $1,649,000 for the year ended June 30, 2023 on early extinguishment of debt have been recorded and included with other income. These gains arise as a result of immediate recognition of bond premiums, net of immediate recognition of bond discounts, that would have been amortized over the life of the applicable bond issue if not retired and net of call premiums as required by the applicable bond indentures.

Conduit Debt Obligations

The Commission is authorized to issue conduit revenue bonds to provide financing for multifamily rental housing developments. These bonds are limited obligation, conduit debt issued by the Commission, secured by a mortgage and payable solely from payments made pursuant to the loan agreement. Payments on the bonds do not constitute a general obligation payable from funds of the Commission. Accordingly, the bonds are not reported as liabilities in the Commission's statement of net position. The Commission had $12,387,000 in conduit bonds at June 30, 2023.

Direct Borrowings – Operating Fund

In addition to bonds payable, the Commission utilizes short-term FHLB advances, which are secured by pledged U.S. agency securities and mortgage-backed securities. The FHLB can dispose of all or a portion of such securities for purposes of collecting payment of principal and interest on an advance in the event of a payment default. There were no advances outstanding at June 30, 2023. The short-term FHLB advances included financings of $80,047,000 during fiscal year 2023, including rollover financings of $38,149,000.

Bond and Long-term Obligation Maturities

All bonds have early redemption provisions. A summary of future annual scheduled principal and interest maturities for the Commission's long-term obligations, which excludes unamortized debt discounts and premiums, follows (in thousands):

Bonds Maturing During Years Ending June 30,	Publicly Sold Bonds Principal	Interest	Total
2024	$ 29,052	$ 41,248	$ 70,300
2025	31,008	40,811	71,819
2026	31,965	40,005	71,970
2027	32,809	39,137	71,946
2028	33,932	38,214	72,146
2029 - 2033	185,790	175,089	360,879
2034 - 2038	219,044	142,589	361,633
2039 - 2043	242,666	102,899	345,565
2044 - 2048	258,183	57,597	315,780
2049 - 2053	156,686	15,075	171,761
2054 - 2058	1,640	39	1,679
	$ 1,222,775	$ 692,703	$ 1,915,478

Lease and Subscription Liabilities

The Commission leases office space in Kansas City in accordance with a ten-year lease and in St. Louis in accordance with an 11-year lease. The Commission also leases storage space in Kansas City in accordance with a three-year lease. The total value of these lease assets was $4,046,000 and the related accumulated amortization was $2,223,000 at June 30, 2023.

The Commission entered into a SBITA contract through September 2025 for its investment accounting software. The value of the subscription asset was $521,000 and the related accumulated amortization was $160,000 at June 30, 2023.

Future principal and interest requirements to maturity for the lease and subscription liabilities as of June 30, 2023 are as follows (in thousands):

Year	Principal	Interest	Total
2024	$ 803	$ 21	$ 824
2025	702	16	718
2026	344	6	350
2027	314	2	316
	$ 2,163	$ 45	$ 2,208

6. Escrow Deposits and Rent Subsidies Payable

Escrow deposits in the fiduciary fund represent funds paid by development mortgagors for real estate taxes, insurance, future replacement of property and other costs.

Federal housing subsidy and other deposits reported on the Commission's statement of net position represent federal funds received in advance for emergency rental assistance, payment of rent subsidies and for other programs.

7. Restrictions and Designations

Restricted Cash and Investments

Substantially all of the assets of each bond program of the Commission are pledged as collateral for the payment of principal and interest on bond indebtedness of that program. Therefore, all related bond program assets of the Commission that are pledged as collateral are treated as restricted and noncurrent. The obligations of the Commission are not obligations of the State and the State is not liable for such obligations. The trust indentures between the Commission and the trustees

establish special accounts for the segregation of assets and restrictions on the use of bond proceeds and certain other funds received.

Resolutions of the Commission require that, to the extent funds are available in the general account of each bond fund, the funds are to be transferred to a debt service account on a periodic basis, from the date of bond issuance to the date of each succeeding maturity, sufficient to make principal and interest payments on the bonds as they become due. Funds within the general account of each bond fund are on deposit in restricted accounts.

The statute and resolutions of the Commission require that for certain bond issues an amount be maintained in reserve accounts to be used to make principal and interest payments on payment due dates. Such amounts are on deposit in restricted accounts for the various issues within the multifamily and single family mortgage revenue bond programs.

Restricted investments include U.S. agency securities pledged as collateral for short-term FHLB advances. Pursuant to state statute, the Commission has also restricted cash and investments held for the Missouri Housing Trust Fund. In addition, cash and investments held associated with federal grant agreements are restricted. These funds include deposits for rental assistance received in accordance with the Consolidated Appropriations Act, homeowner assistance funds received in accordance with the American Rescue Plan Act and other federal programs.

As of June 30, 2023, the assets of all accounts satisfied the requirements as established by the trust indentures, applicable agreements and state statute. Such assets are restricted as follows (in thousands):

Program restricted funds and pledged investments	$ 65,897
Federal Program Funds	127,874
Missouri Housing Trust Fund	3,790
Bond Proceeds Accounts - funds for purchase of qualified mortgage-backed securities or mortgage loans and payment of costs of issuance	62,591
Revenue and Debt Service Funds - program revenues for debt services payments	34,925
Debt Service and Other Bond Reserve Accounts - reserves held as required by bond indentures, including: debt service reserves, mortgage reserves and capitalized interest	17,308
	$ 312,385

Restricted Net Position

Pursuant to certain bond resolutions, the Commission has restricted the net position of the multifamily and single family mortgage revenue bond programs to maintain a level of reserves necessary to provide sound fiscal operations. U.S. agency securities and mortgage-backed securities are pledged as collateral for short-term FHLB advances. In addition, net position associated with the federal grant agreements of HOME and TCAP are restricted. In fiscal year 1997, the Commission acquired a portfolio of loans from HUD. Revenues collected from these HUD-purchased loans are restricted by an agreement between the Commission and HUD to be used primarily for rehabilitation loans or grants.

Pursuant to state statute, the Commission has restricted the amount of net position representing revenues over expenses related to the financial activity of the Missouri Housing Trust Fund. Revenues of the Missouri Housing Trust Fund are restricted to programs that financially assist, through loans or grants, the development of housing stock and that provide housing assistance to persons and families with incomes at or below specified levels.

Below is a summary of restricted net position by bond resolution and state statute as of June 30, 2023 (in thousands):

Restricted Net Position		
Restricted by bond resolution	$	47,872
Restricted by collateral custodial agreement - FHLB		54,230
Restricted by grant agreement - HOME Investment Partnership Program		262,905
Restricted by grant agreement - Housing Trust Fund		55
Restricted by grant agreement - TCAP		28,083
Restricted earnings of HUD-purchased Loans		11,681
Restricted by state statute - Missouri Housing Trust Fund		3,790
Total Restricted Net Position	$	408,616

Commission Designated Net Position

The Commission has designated certain unrestricted net position for its affordable housing programs. The Commission has the discretion to reverse any designated net position and as of June 30, 2023, has designated the following amounts (in thousands):

Designated by Commission for:		
Tenant assistance	$	2,211
Loans not funded by a bond sale		112,766
Construction loan commitments		47,000
Loan and other commitments not yet disbursed		33,375
Single Family Homeownership Program		20,000
Single Family Cash Assistance Program		21,500
Rural Initiative Program		562
Total Commission Designated Net Position	$	237,414

8. Pension Plan

General Information about the Pension Plan

Plan description. Benefit eligible employees of the Commission are provided pensions through Missouri State Employees' Plan (MSEP) - cost-sharing multiple-employer defined benefit pension plans administered by MOSERS. The plans are referred to as MOSERS throughout the Notes. Section 104.320 of the Revised Statutes of Missouri grants the authority to establish a defined benefit plan for eligible state and other related Commission employees. MOSERS issues a Annual Comprehensive Financial Report (ACFR), a publicly available financial report that can be obtained at www.mosers.org.

Benefits provided. MOSERS provides retirement, disability, and life insurance benefits to eligible employees. The base retirement benefits are calculated by multiplying the employee's final average pay by a specific factor multiplied by the years of credited service. The factor is based on the specific plan in which the employee participates, which is based on the employee's hire date. Information on the three plans administered by MOSERS (MSEP, MSEP 2000, and MSEP 2011 retirement plans) and how eligibility and the benefit amount is determined for each plan may be found in the Notes to the Financial Statements of MOSERS' ACFR starting on page 31.

Contributions. Per Section 104.436 of the Revised Statutes of Missouri, contribution requirements of the active employees and the participating employers

are established and may be amended by the MOSERS Board. Employees in the MSEP 2011 Plan are required to contribute 4.0% of their annual pay. The Commission's required contribution rate for the year ended June 30, 2023 was 26.33% of annual payroll, which totaled $2,355,000, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance the unfunded accrued liability. Contributions to the pension plan from the Commission were $1,684,000 for MOSERS plan year ended June 30, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023, the Commission reported a liability of $25,712,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability as of June 30, 2022 was offset by the fiduciary net position obtained from the MOSERS ACFR as of June 30, 2022 to determine the net pension liability.

The Commission's proportion of the net pension liability was based on the Commission's actual share of contributions to the pension plan relative to the actual contributions of all participating employers for MOSERS plan year ended June 30, 2022. At the June 30, 2022 measurement date, the Commission's proportion was 0.35908%, an increase from 0.28894%, as of the June 30, 2021 measurement date.

There were no changes in benefit terms during the MOSERS plan year ended June 30, 2022 that affected the measurement of total pension liability.

Actuarial Assumptions

The total pension liability in the June 30, 2022 actuarial valuation, which is also the date of measurement for financial reporting purposes, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Summary of Key Actuarial Assumptions

Valuation date	June 30, 2022
Actuarial cost method	Entry age normal
Asset valuation method	Market value
Investment rate of return	6.95%
Projected salary increases	2.75% to 10.00%
Rate of payroll growth	2.25%
COLAs	4.00%/1.80%*
Price inflation	2.25%

* 4.00% compounded annually, when a minimum COLA of 4.00% is in effect.
1.80% compounded annually, when no minimum COLA is in effect (80% of price inflation).

An actuarial experience study covering the five-year period ended June 30, 2020, was performed in 2021.

Mortality

Pre-retirement mortality rates were based on the Pub-2010 General Members Below Median Employee mortality table, set back two years for males and set forward one year for females. Mortality was projected generationally from 2010 to 2020 using Scale MP-2020 and 75% of Scale MP-2020 for years after 2020.

Post-retirement mortality rates for retirees were based on the Pub-2010 General Members Below Median Healthy Retiree mortality table, scaled by 104%, set back two years for males and set forward one year for females. Mortality projected generationally from 2010 to 2020 using Scale MP-2020 and 75% of Scale MP-2020 for years after 2020.

Post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Members Below Median Contingent Survivor mortality table, set back two years for males and set forward one year for females. Mortality was projected generationally from 2010 to 2020 using Scale MP-2020 and 75% of Scale MP-2020 for years after 2020.

Disabled mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table, without mortality projection.

Long-term Investment Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates rates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adjusting for expected inflation, volatility and correlations. Best estimates of the real rates of return expected are summarized by asset class in the following table:

Long-Term Expected Rate of Return

Asset Class	Policy Allocation	Long-Term Expected Nominal Return *	Long-Term Expected Real Return	Weighted Average Long-Term Expected Nominal Return
Global public equities	30.0%	7.7%	5.8%	2.3%
Global private equities	15.0%	9.3%	7.4%	1.4%
Long treasuries	25.0%	3.5%	1.6%	0.9%
Core bonds	10.0%	3.1%	1.2%	0.3%
Commodities	5.0%	5,5%	3.6%	0.3%
TIPS	25.0%	2.7%	0.8%	0.7%
Private real assets	5.0%	7.1%	5.2%	0.3%
Public real assets	5.0%	7.7%	5.8%	0.4%
Hedge funds	5.0%	4.8%	2.9%	0.2%
Alternative beta	10.0%	5.3%	3.4%	0.5%
Private credit	5.0%	9.5%	7.6%	0.5%
Cash and cash equivalents**	-40.0%	-	-	-
	100.0%			
			Correlation/Volatility Adjustment	-0.6%
			Long-Term Expected Net Nominal Return	7.2%
			Less: Investment Inflation Assumption	-1.9%
			Long-Term Expected Geometric Net Real Return	5.3%

* Long-term expected arithmetic returns of the asset classes at the time of the asset allocation study for each portfolio.

** Cash and cash equivalents policy allocation amounts are negative due to use of leverage.

Discount Rate

The discount rate used to measure the total pension liability was 6.95%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made using the actuarially determined rates. Based on those assumptions, MOSERS' fiduciary net position was projected to be available to make all the projected future benefit payments of the current plan members. As a result, the long-term expected rate of return on pension plan investments of 6.95% was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Commission's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Commission's proportionate share of the net pension liability calculated using the discount rate of 6.95%, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95%) or 1-percentage-point higher (7.95%) than the current rate:

	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
Commission's proportionate share of net pension liability (in thousands)	$ 32,162	$ 25,712	$ 20,324

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued MOSERS annual comprehensive financial report.

Pension Expense

For the fiscal year ended June 30, 2023, the Commission recognized pension expense of $4,686,000.

Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2023, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

June 30, 2023	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 328	$ 7
Changes of assumptions	610	—
Net difference between projected and actual earnings on pension plan investments	1,368	—
Changes in proportion and differences between Commission contributions and proportionate share of contributions	2,857	11
Commission contributions subsequent to the measurement date of 6-30-22	2,355	—
Total	$ 7,518	$ 18

$2,355,000 reported as deferred outflows of resources related to pensions resulting from Commission contributions subsequent to the measurement date of June 30, 2022 will be recognized as a reduction of the net pension liability in the Commission's financial statements for the fiscal year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in the Commission's fiscal year following MOSERS' fiscal year as follows (in thousands):

Commission's Fiscal Year Ending June 30:	Amount
2024	$ 2,929
2025	1,191
2026	(25)
2027	1,050
Total	$ 5,145

Payables to the Pension Plan

The Commission had a payable to MOSERS of $104,000 as of June 30, 2023, included as a component of accrued liabilities due to contribution obligations related to compensation incurred prior to the fiscal year end.

9. Deferred Compensation Plan

The Commission's employees may participate in the State of Missouri Deferred Compensation Plan, a voluntary defined contribution plan offered in compliance with IRS Code Sections 457 and 401(a). The plan is administered by MOSERS in accordance with Sections 105.900 to 105.927 of the Revised Statutes of Missouri. Participant account record keeping and processing services is administered by a third party. Under this plan, employees are permitted to defer a portion of their current salary until future years.

10. Other Postemployment Benefits

General Information about the OPEB Plan

Plan Description. The State Retiree Welfare Benefit Trust (SRWBT), a cost-sharing multiple employer, defined benefit OPEB plan, is administered by the Missouri Consolidated Health Care Plan (MCHCP). Employees may participate at retirement if eligible to receive a monthly retirement benefit from MOSERS or another retirement system whose members are grandfathered for coverage under the plan by law. The terms and conditions governing postemployment benefits, are vested with the MCHCP Board of Trustees within the authority granted under Chapter 103 of the Revised Statutes of Missouri. Financial information for the OPEB plan is included in MCHCP's ACFR which is available on the MCHCP website at www.mchcp.org.

Benefits Provided. Benefit provisions of the SRWBT provide postemployment healthcare coverage. Employees and their eligible dependents may participate in state-sponsored medical coverage in retirement based on plan criteria. Medical coverage, including prescription coverage, is provided through plan options including a qualified high deductible plan with health savings account and preferred provider organization plans (PPO 1250 and PPO 750). Health care benefits are funded through both employer and retiree contributions.

Contributions. Contributions are established and may be amended by the MCHCP Board of Trustees within the authority granted under Chapter 103 of the Revised Statutes of Missouri (2000) as amended ("RSMo") 103.003 through 103.178. For each year of a retiree's service, 2.5% of the monthly PPO 1250 healthcare plan premium is contributed on behalf of the retiree up to a maximum contribution of 65%. The retiree pays the balance of the premiums. Participants contributed $43,527,000 toward their required contributions for the plan year ended June 30, 2022. The Commission's required contribution rate for the fiscal year ended June 30, 2023 ranged from 4.10% to 4.23% of annual payroll, which totaled $335,000 in contributions actuarially determined as an amount that, when combined with participant contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the Commission were $290,000 for the plan year ended June 30, 2022.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2023, the Commission reported a liability of $5,539,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Commission's proportion of the net OPEB liability was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At the June 30, 2022 measurement date, the Commission's proportion was 0.393175%, a slight increase from 0.3073% as of the June 30, 2021 measurement date.

For the fiscal years ending June 30, 2023, the Commission recognized OPEB expense of $350,000. At June 30, 2023, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

June 30, 2023	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 232	$ 55
Changes of assumptions	—	1,950
Net difference between projected and actual earnings on pension plan investments	50	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,421	285
Commission contributions subsequent to the measurement date of 6-30-22	335	—
Total	$ 2,038	$ 2,290

$335,000 reported as deferred outflows of resources related to OPEB resulting from Commission contributions subsequent to the measurement date of June 30, 2022 will be recognized as a reduction of the net OPEB liability in the Commission's financial statements for the fiscal year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Commission's Fiscal Year Ending June 30:	Amount
2024	$ (111)
2025	(112)
2026	(115)
2027	(121)
2028	(100)
Thereafter	(28)
Total	$ (587)

Actuarial Methods and Assumptions

The actuarial calculations utilize methodologies and assumptions designed to reduce short-term volatility. Actuarial valuations are developed based upon economic assumptions that are appropriate for the purpose of the measurements, take into account relevant historical and current data, reflect estimates of future experience, are free of bias, and include demographic actuarial assumptions that are considered to be reasonable and within a best projection range as described by the Actuarial Standards of Practice. Future actuarial measurements may differ from the current measurements due to many factors, including plan experience differing from that anticipated by the economic or demographic assumptions and changes in plan provisions or applicable law.

Projections include a broad array of complex social and economic events, such as the emergence of new and expensive medical procedures and prescription drug options, change in investment rates of return, and other uncertainties. As such, the estimate of post-retirement program cost contains considerable uncertainty and variability, and actual experience may vary significantly from the current estimated obligation.

The cost method utilized for the valuation year June 30, 2022, was the entry age normal, level percent of pay. The following presents additional information as of the latest actuarial valuation:

Summary of Key Actuarial Methods & Assumptions

Valuation Year	July 1, 2021 - June 30, 2022
Actuarial Cost Method	Entry age normal, level percent of pay
Amortization method for Unfunded Actuarial Accrued Liability	30 years, open, level percent of pay
Asset valuation method	Market value
Discount Rate	5.50%
Projected payroll growth rate	4.00%
Inflation Rate	3.00%

Health Care Cost Trend Rate (Medical and Prescription Drugs combined):

The trend rate for non-Medicare benefits is assumed to be 6.50% in fiscal 2023 through 2025, then decreasing by 0.25% per year to an ultimate rate of 5.0% in fiscal 2031. For Medicare benefits, the trend rate is assumed to be 14.50% in fiscal 2023, 15.00% in fiscal 2024, 11.50% in fiscal 2025, 10.50% in fiscal 2026, 9.75% in fiscal 2027, 9.00% in fiscal 2028, 8.25% in fiscal 2029, 7.50% in fiscal 2030, 6.75% in fiscal 2031, 6.00% in fiscal 2032, 5.25% in fiscal 2033, then 5.00% in fiscal 2034 and after. The Medicare trend reflects the current drug plan, together with the extension of the $0 medical premium guarantee through the end of calendar year 2023, and estimated Medicare Advantage premiums thereafter.

The discount rate was changed to 5.50% from 4.50%. The expected return on assets was changed from 4.50% to 5.50%. Per capita claims costs, administrative expenses and retiree contributions were updated based on analysis of 2023 rates. Trend rates were updated based on anticipated future experience.

Expected Return on Plan Assets

The MCHCP Board of Trustees adopted an asset allocation model for the SRWBT that implemented a moderate investment approach to steadily increase the exposure of the SRWBT to higher asset classes over time. Exposure to equities will be through a combination of actively managed index funds and/or exchange traded funds that are highly rated and reviewed regularly. Allocations are back tested, and future assets are projected in all models.

The table below presents the asset allocation for the plan at June 30, 2022:

Asset Class	Target Allocation	Expected Real Return
Large cap stocks	19%	8.5%
Mid cap stocks	6%	8.8%
Small cap stocks	9%	8.8%
International stocks	5%	9.0%
BarCap Aggregate bonds	59%	3.9%
Cash equivalents	2%	2.8%

Rate of Return

For the plan year ended June 30, 2022, the annual time weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was -8.76%. The time weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested. Investment results for the portfolio are measured using the Modified Dietz methodology, which is a time-weighted analysis of portfolio return.

Discount Rate

A discount rate of 5.50% was used to measure the total OPEB liability. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and the contributions from employers will be made at statutorily required rates, actuarially determined. This discount rate was determined as a blend of the plan sponsor's best estimate of the expected return on plan assets and the twenty-year high quality municipal bond rate as of June 30, 2022, the measurement date. For years where expected benefit payments can be covered by projected trust assets, expected returns are used. For years where payments are not expected to be covered by trust assets, the municipal bond rate is utilized.

Sensitivity of the Commission's proportionate share of the net OPEB liability to changes in the discount rate

The following presents the Commission's proportionate share of the net OPEB liability calculated using the discount rate of 5.50%, as well as what the Commission's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.50%) or 1-percentage-point higher (6.50%) than the current rate:

	1% Decrease (4.50%)	Current Discount Rate (5.50%)	1% Increase (6.50%)
Commission's proportionate share of net OPEB liability (in thousands)	$ 6,530	$ 5,539	$ 4,744

Sensitivity of the Commission's proportionate share of the net OPEB liability to Healthcare Cost Trend Rate

The following presents the Commission's proportionate share of the net OPEB liability calculated using assumed trend rates, as well as what the Commission's proportionate share of net OPEB liability would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Commission's proportionate share of net OPEB liability (in thousands)	$ 4,733	$ 5,539	$ 6,542

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued MCHCP comprehensive annual financial report.

11. Commitments, Contingencies and Concentrations

Federal and Other Assistance Programs

The Commission participates in various federal and other grant programs, primarily with HUD. In addition to an annual financial audit, the Commission is also subject to program audits, as deemed necessary by its federal and other grantor agencies that may result in disallowed costs to the Commission. The Commission's management does not believe such audits would result in any disallowed costs that would be material to the Commission's financial position at June 30, 2023.

The Commission has identified certain questionable rental assistance payments, for which some have been reported to the appropriate agencies in accordance with regulatory requirements and applicable potential repayment has been recognized; others are pending investigation. The Commission's management does not believe the ultimate resolution of such questioned costs would be material to the Commission's financial position at June 30, 2023.

The Commission is the administrator of the Project-Based Section 8 program in the State. This contract, which terminates January 31, 2024, resulted in $162,258,000 in housing assistance payment revenue and expense activity for the fiscal year ended June 30, 2023. HUD may extend the current contract term and is planning to competitively bid this program administration.

Arbitrage Rebate and Yield Compliance

Federal income tax rules limit the investment and loan yields, which the Commission may retain for its own use from investing the proceeds of certain tax-exempt bond issues. Excess yields, if any, payable to the U.S. Treasury are included in accounts payable. There was no liability payable as of June 30, 2023. The Commission has previously acquired certain participations in mortgage-backed securities that were financed with tax-exempt bond proceeds in which the interest participation percentage is lower than the principal participation percentage, which could result in the Commission having to originate future below-market loans or make a future yield reduction payment to the U.S. Treasury.

Litigation

From time to time, the Commission may be a defendant in legal actions related to its programs and operations. While the final outcomes of these legal actions vary, management is of the opinion that the ultimate liability, if any, will not have a material effect on the Commission's financial position.

Other

The Commission is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Commission carries commercial insurance. In addition, the Commission carries commercial insurance for workers' compensation. The Commission retains risk of loss; however, there have been no settlements which exceeded insurance coverage in the last three years.

The Commission has committed to mortgage loans funded by the operating fund net position of $58,839,000 that have not been disbursed as of June 30, 2023.

12. Future Accounting Pronouncements

GASB Statement No. 101, Compensated Absences, is effective for the Commission's fiscal year ending June 30, 2025. This statement addresses the recognition and measurement guidance for compensated absences, and also refines the related disclosure requirements. The Commission is in the process of evaluating the impact of adoption of this statement on the financial statements.

Required Supplementary Information

SCHEDULES OF SELECTED PENSION INFORMATION
MISSOURI STATE EMPLOYEES' RETIREMENT SYSTEM
(In Thousands)

Schedule of Commission's Proportionate Share of the Net Pension Liability

	Plan Fiscal Year Ended								
	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Commission's proportion of the net pension liability or asset	0.3044%	0.3030%	0.3148%	0.3141%	0.2993%	0.28676%	0.27947%	0.28894%	0.35908%
Commission's proportionate share of the net pension liability	$ 7,178	$ 9,714	$ 14,613	$ 16,355	$ 16,698	$ 17,324	$ 17,740	$ 16,154	$ 25,712
Commission's covered payroll	$ 5,481	$ 5,856	$ 6,097	$ 6,182	$ 5,818	$ 5,571	$ 5,585	$ 5,825	$ 7,164
Commission's proportionate share of the net pension liability as a percentage of its covered payroll	130.96%	165.88%	239.69%	264.55%	286.99%	310.97%	317.64%	277.32%	358.91%
Plan fiduciary net position as a percentage of the total pension liability	79.49%	77.62%	63.60%	60.41%	59.02%	56.72%	55.48%	63.00%	53.53%

Schedule of Commission's Contributions

	Commission Fiscal Year Ended									
	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Required contribution	$ 993	$ 994	$ 1,035	$ 1,049	$ 1,132	$ 1,126	$ 1,216	$ 1,332	$ 1,684	$ 2,355
Contributions in relation to the required contribution	$ 993	$ 994	$ 1,035	$ 1,049	$ 1,132	$ 1,126	$ 1,216	$ 1,332	$ 1,684	$ 2,355
Contribution deficiency	—	—	—	—	—	—	—	—	—	—
Commission's covered payroll	$ 5,481	$ 5,856	$ 6,097	$ 6,182	$ 5,818	$ 5,571	$ 5,585	$ 5,825	$ 7,164	$ 8,946
Contributions as a percentage of covered payroll	18.13%	16.97%	16.97%	16.97%	19.45%	20.21%	21.77%	22.88%	23.51%	26.33%

Notes:

Information provided is based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.

Above schedules are ultimately required to show information for ten years. Only the data for years currently available is displayed.

Changes of Benefit Terms or Assumptions

Change in assumptions. There were no changes in benefit terms or assumptions during the fiscal year reported.

MISSOURI HOUSING DEVELOPMENT COMMISSION

SCHEDULES OF SELECTED OTHER POSTEMPLOYMENT BENEFIT INFORMATION MISSOURI CONSOLIDATED HEALTH CARE PLAN (In Thousands)

Schedule of Commission's Proportionate Share of the Net OPEB Liability

	Plan Fiscal Year Ended					
	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Commission's proportion of the net OPEB liability	0.3424%	0.3245%	0.3082%	0.3061%	0.3073%	0.3932%
Commission's proportionate share of the net OPEB liability	$ 6,042	$ 5,686	$ 5,451	$ 5,452	$ 5,242	$ 5,539
Commission's covered payroll	$ 5,542	$ 5,245	$ 5,026	$ 5,187	$ 5,381	$ 6,719
Commission's proportionate share of the net OPEB liability as a percentage of its covered payroll	109.02%	108.41%	108.46%	105.11%	97.42%	82.44%
Plan fiduciary net position as a percentage of the total OPEB liability	6.64%	6.90%	7.31%	8.24%	10.14%	12.12%

Schedule of Commission's Contributions

	Commission Fiscal Year Ended						
	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Required contribution	$ 230	$ 224	$ 253	$ 221	$ 229	$ 290	$ 335
Contributions in relation to the required contribution	$ 230	$ 224	$ 253	$ 221	$ 229	$ 290	$ 335
Contribution deficiency	—	—	—	—	—	—	—
Commission's covered payroll	$ 5,542	$ 5,245	$ 5,026	$ 5,187	$ 5,381	$ 6,719	$ 8,053
Contributions as a percentage of covered payroll	4.14%	4.27%	5.03%	4.26%	4.26%	4.31%	4.16%

Notes:

Information provided is based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.

Above schedules are ultimately required to show information for ten years. Only the data for years currently available is displayed

Changes of benefit terms or assumptions

Changes in assumptions and methods include the following:

- The discount rate was changed from 4.50% to 5.50%.
- The expected return on assets was changed from 4.50% to 5.50%.
- Per capita claims costs, administrative expenses and retiree contributions were updated based on analysis of 2023 rates.
- Trend rates were updated based on anticipated future experience.

Supplementary Information

MISSOURI HOUSING DEVELOPMENT COMMISSION

COMBINING STATEMENT OF NET POSITION
Page 1 of 2
June 30, 2023
(In Thousands)

		Bond-Financed Programs		
	Operating	Multifamily	Single Family	Total
Assets				
Current Assets				
Cash and cash equivalents	$ 9,932	$ —	$ —	$ 9,932
Investments	17,026	—	—	17,026
Mortgage investments	10,830	—	—	10,830
Accrued interest receivable	2,138	—	—	2,138
Accounts receivable - other	1,096	—	—	1,096
Prepaid expenses	504	—	—	504
Total Current Assets	41,526	—	—	41,526
Noncurrent Assets				
Restricted assets				
Cash and cash equivalents	101,678	5,569	103,261	210,508
Investments	95,883	3,385	2,609	101,877
Mortgage investments	259,065	32,572	1,157,220	1,448,857
Accrued interest receivable	557	203	4,531	5,291
Accounts receivable - other	3,388	—	—	3,388
Total restricted assets	460,571	41,729	1,267,621	1,769,921
Investments	178,916	—	—	178,916
Mortgage investments, net of current portion and allowances for loan losses of $40,253	91,851	—	—	91,851
Capital assets, less accumulated depreciation of $5,957	1,691	—	—	1,691
Lease and subscription assets, less accumulated amortization of $2,383	2,184	—	—	2,184
Total Noncurrent Assets	735,213	41,729	1,267,621	2,044,563
Total Assets	776,739	41,729	1,267,621	2,086,089
Deferred Outflows of Resources				
Refunding of debt	—	6	713	719
Pension	7,518	—	—	7,518
Other Postemployment Benefits (OPEB)	2,038	—	—	2,038
Total Deferred Outflows of Resources	9,556	6	713	10,275

MISSOURI HOUSING DEVELOPMENT COMMISSION

COMBINING STATEMENT OF NET POSITION *(Continued)*

June 30, 2023

(In Thousands)

	Operating	Bond-Financed Programs Multifamily	Bond-Financed Programs Single Family	Total
Liabilities				
Current Liabilities				
Lease liabilities	$ 803	$ —	$ —	$ 803
Accounts payable	21,174	—	—	21,174
Unearned revenue	1,356	—	—	1,356
Total Current Liabilities	23,333	—	—	23,333
Current Liabilities - Payable from Restricted Assets				
Bonds and notes payable	—	1,495	28,280	29,775
Accrued interest payable	—	364	6,225	6,589
Federal housing subsidy deposits	99,305	—	—	99,305
Accounts payable	522	—	—	522
Total Current Liabilities - Payable from Restricted Assets	99,827	1,859	34,505	136,191
Noncurrent Liabilities				
Lease and subscription liabilities	1,360	—	—	1,360
Pension	25,712	—	—	25,712
Other Postemployment Benefits (OPEB)	5,539	—	—	5,539
Unearned revenue	8,547	—	—	8,547
Payable from restricted assets				
Bonds and notes payable	—	28,840	1,196,026	1,224,866
Total Noncurrent Liabilities	41,158	28,840	1,196,026	1,266,024
Total Liabilities	164,318	30,699	1,230,531	1,425,548
Deferred Inflows of Resources				
Refunding of debt	—	57	910	967
Pension	18	—	—	18
Other Postemployment Benefits (OPEB)	2,290	—	—	2,290
Total Deferred Inflows of Resources	2,308	57	910	3,275
Net Position				
Net investment in capital assets	1,712	—	—	1,712
Restricted	360,744	10,979	36,893	408,616
Unrestricted, including designated balances	257,213	—	—	257,213
Total Net Position	$ 619,669	$ 10,979	$ 36,893	$ 667,541

COMBINING STATEMENT OF NET POSITION
MULTIFAMILY BOND - FINANCED PROGRAMS
June 30, 2023
(In Thousands)

	Multifamily (2000 Indenture)	Multifamily (2014 Indenture)	Total
Assets			
Noncurrent Assets			
Restricted assets			
Cash and cash equivalents	$ 3,741	$ 1,828	$ 5,569
Investments	1,360	2,025	3,385
Mortgage investments	17,672	14,900	32,572
Accrued interest receivable	107	96	203
Total Noncurrent Assets	22,880	18,849	41,729
Total Assets	22,880	18,849	41,729
Deferred Outflows of Resources			
Refunding of debt	—	6	6
Liabilities			
Current Liabilities - Payable from Restricted Assets			
Bonds and notes payable	723	772	1,495
Accrued interest payable	331	33	364
Total Current Liabilities - Payable from Restricted Assets	1,054	805	1,859
Noncurrent Liabilities			
Bonds and notes payable	14,671	14,169	28,840
Total Noncurrent Liabilities	14,671	14,169	28,840
Total Liabilities	15,725	14,974	30,699
Deferred Inflows of Resources			
Refunding of debt	—	57	57
Total Deferred Inflows of Resources	—	57	57
Net Position			
Restricted	7,155	3,824	10,979
Total Net Position	$ 7,155	$ 3,824	$ 10,979

MISSOURI HOUSING DEVELOPMENT COMMISSION

COMBINING STATEMENT OF NET POSITION
SINGLE FAMILY BOND - FINANCED PROGRAMS
June 30, 2023
(In Thousands)

	Special Homeownership (2009 Indenture)	First Place Homeownership (2015 Indenture)	Total
Assets			
Noncurrent Assets			
Restricted assets			
Cash and cash equivalents	$ 1,548	$101,713	$103,261
Investments	—	2,609	2,609
Mortgage investments	38,788	1,118,432	1,157,220
Accrued interest receivable	143	4,388	4,531
Total Noncurrent Assets	40,479	1,227,142	1,267,621
Total Assets	40,479	1,227,142	1,267,621
Deferred Outflows of Resources			
Refunding of debt	—	713	713
Total Deferred Outflows of Resources	—	713	713
Liabilities			
Current Liabilities - Payable from Restricted Assets			
Bonds and notes payable	1,568	26,712	28,280
Accrued interest payable	105	6,120	6,225
Total Current Liabilities - Payable from Restricted Assets	1,673	32,832	34,505
Noncurrent Liabilities			
Payable from restricted assets			
Bonds and notes payable	24,222	1,171,804	1,196,026
Total Noncurrent Liabilities	24,222	1,171,804	1,196,026
Total Liabilities	25,895	1,204,636	1,230,531
Deferred Inflows of Resources			
Refunding of debt	450	460	910
Total Deferred Inflows of Resources	450	460	910
Net Position			
Restricted	14,134	22,759	36,893
Total Net Position	$ 14,134	$ 22,759	$ 36,893

MISSOURI HOUSING DEVELOPMENT COMMISSION

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended June 30, 2023
(In Thousands)

		Bond-Financed Programs		
	Operating	Multifamily	Single Family	Total
Operating Revenues				
Interest and investment income				
Income - mortgage investments	$ 8,620	$ 1,653	$ 43,103	$ 53,376
Income - investments	4,991	343	3,314	8,648
Net decrease in fair value	(10,818)	(309)	(61,367)	(72,494)
Total interest and investment income	2,793	1,687	(14,950)	(10,470)
Income - MBS sales	64	—	—	64
Administration fees	9,240	—	—	9,240
Other income	6,870	—	1,650	8,520
Federal program income	482,772	—	—	482,772
Total Operating Revenues	501,739	1,687	(13,300)	490,126
Operating Expenses				
Interest expense on bonds	179	1,110	28,879	30,168
Bond debt expense and other fees	30	20	2,686	2,736
Compensation	17,119	—	—	17,119
General and administrative expenses	6,265	—	—	6,265
Rent and other subsidy payments	14,706	—	—	14,706
Missouri Housing Trust Fund grants	3,291	—	—	3,291
Federal program expenses	479,038	—	—	479,038
Total Operating Expenses	520,628	1,130	31,565	553,323
Income Before Transfers from Custodial Funds	(18,889)	557	(44,865)	(63,197)
Transfer from Custodial Funds	720	—	—	720
Change in Net Position	(18,169)	557	(44,865)	(62,477)
Net Position - Beginning of Year	636,810	11,257	81,951	730,018
Interfund Transfers	1,028	(835)	(193)	—
Net Position - End of Year	$ 619,669	$ 10,979	$ 36,893	$ 667,541

MISSOURI HOUSING DEVELOPMENT COMMISSION

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
MULTIFAMILY BOND - FINANCED PROGRAMS
For the Year Ended June 30, 2023
(In Thousands)

	Multifamily (2000 Indenture)	Multifamily (2014 Indenture)	Total
Operating Revenues			
Interest and investment income			
Income - mortgage investments	$ 925	$ 728	$ 1,653
Income - investments	181	162	343
Net decrease in fair value	(114)	(195)	(309)
Total interest and investment income	992	695	1,687
Total Operating Revenues	992	695	1,687
Operating Expenses			
Interest expense on bonds	679	431	1,110
Bond debt expense and other fees	14	6	20
Total Operating Expenses	693	437	1,130
Change in Net Position	299	258	557
Net Position - Beginning of Year	6,903	4,354	11,257
Interfund Transfers	(47)	(788)	(835)
Net Position - End of Year	$ 7,155	$ 3,824	$ 10,979

MISSOURI HOUSING DEVELOPMENT COMMISSION

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
SINGLE FAMILY BOND - FINANCED PROGRAMS
For the Year Ended June 30, 2023
(In Thousands)

	Special Homeownership (2009 Indenture)	First Place Homeownership (2015 Indenture)	Total
Operating Revenues			
Interest and investment income			
Income - mortgage investments	$ 1,779	$ 41,324	$ 43,103
Income - investments	45	3,269	3,314
Net decrease in fair value	(1,949)	(59,418)	(61,367)
Total interest and investment income	(125)	(14,825)	(14,950)
Other income	205	1,445	1,650
Total Operating Revenues	80	(13,380)	(13,300)
Operating Expenses			
Interest expense on bonds	855	28,024	28,879
Bond debt expense and other fees	11	2,675	2,686
Total Operating Expenses	866	30,699	31,565
Change in Net Position	(786)	(44,079)	(44,865)
Net Position - Beginning of Year	14,479	67,472	81,951
Interfund Transfers	441	(634)	(193)
Net Position - End of Year	$ 14,134	$ 22,759	$ 36,893